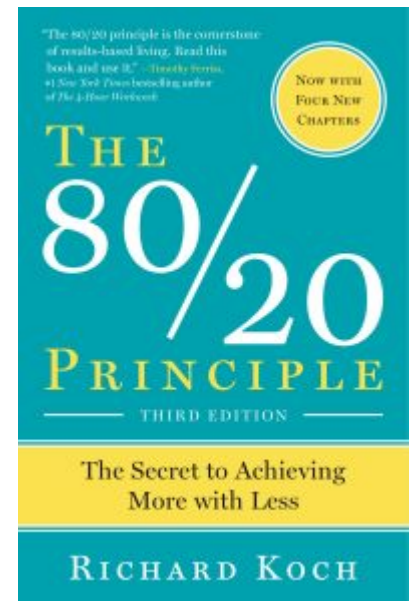


The 80/20 Principle by Richard Koch – Book Summary

Ready to learn the most important takeaways from The 80/20 Principle in less than two minutes? Keep reading!



Why This Book Matters:

The 80/20 principle says that 80% of your results come from 20% of your efforts.

Richard Koch shows you how to identify the 20% that is disproportionately more impactful than all your other efforts so you can exponentially increase your personal and professional success.

Key Takeaways:

- 1. Don't buy into the myth that there is a linear relationship between input and output**
 1. The biggest rewards are often generated by a disproportionately small amount of effort, whether it be in business or our personal lives.
 2. *Example: 20% of motorists cause 80% of accidents. 20% of sales generate 80% of profits.*
- 2. The 80/20 rule says that 80% of your positive results**

(happiness, sales, etc.) come from 20% of your time (effort, work, etc.)

1. Take a close look at how you spend your time and remove the activities that have the smallest impact on success or happiness.

2. *Example: Companies with a large product range can increase profits by focusing only on top-performing products.*

3. Every aspect of your business can benefit from the 80/20 rule

1. Whether it's marketing, logistics, or HR, examining existing processes and eliminating the least productive tasks can increase output greatly.

2. *Example: Famous broker Nicholas Barsan earns \$1 million annually in commissions because he focuses on pleasing his top repeat clients.*

4. Use 80/20 thinking to make key changes in your personal life

1. Unlike in business, there's no need for solid statistical data to inform the analysis of your personal life. Just cut out the things that have the least value.

2. *Example: Someone with many casual friends can increase their personal fulfillment by focusing on fostering relationships with only their closest friends.*

5. Practice time revolution instead of time management

1. Time management strategies fill your day with more things to do, while "time revolution" optimizes time by focusing on the 20% of tasks that are the most important in your day.

2. *Example: At his consulting firm, the author's colleagues responded to an inundation of client needs by focusing on the most important 20% of issues, which led to improved performance compared to the competition.*

6. Use the 80/20 rule broadly to increase your quality of life

1. Use the 80/20 rule to pinpoint where to deepen your focus and where to reduce your focus to exponentially increase the positive outcomes in your life.
2. *Example: Think about the 20% of your life that brings you the most joy and be creative about ways you can increase the amount of time in that space.*

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